ND PUBLIC EMPLOYEES RETIREMENT SYSTEM INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2007

| Marie Value Policy Polic | | | August-0 | | Manada | | July-07 | -41 | Manda | Fiscal YTD | FY07 | Ended | Ended |
|--|--------------------------|--------------|----------|--------|------------------|--------------|----------|---------|------------------|------------|---------|----------------------|-----------------------|
| ARBE CAP OMESTIC EQUITY 75.180.798 3.9% 4.1% 1.14% 75.183.401 3.9% 4.1% 3.21% -2.10% 21.75% 13.79% (real Structured Growth 76.180.798 3.9% 4.1% 1.14% 75.183.401 3.9% 4.1% 3.21% -2.10% 21.75% 13.79% (real Structured Growth 1960 3.9% 4.1% 3.21% -2.10% 21.75% 13.79% (real Structured Growth 1960 3.9% 4.1% 3.21% -2.10% 21.75% 13.79% (real Structured Growth 1960 3.9% 4.1% 3.21% -2.10% 21.75% 13.79% (real Structured Growth 1960 3.9% 4.1% 3.21% -2.10% 21.75% 13.79% (real Structured Growth 1960 3.9% 4.1% 3.21% -2.10% 21.75% 13.79% (real Structured Growth 1960 3.9% 4.1% 4.2% 4.2% 4.2% 4.2% 4.2% 4.2% 4.2% 4.2 | | Market Value | | | Month Net ROR | Market Value | | | Month Net ROR | Net ROR | Net ROR | 6/30/2007 Net ROR | 6/30/200 Net RO |
| A Capital 75,166,778 3.9% 4.1% 75,164,078 3.9% 4.1% 2.1% 2.10% 2.10% 2.19% 2.19% 3.19% 3.19% 4.1% 3.14% | | manor value | 7 totaai | 1 oney | HOLHOIT | manor varao | 7 totaui | 1 Olloy | 110111011 | HOLITOIT | HOLITON | HOLITOIT | 1101110 |
| Total Structured Growth Septiment of Marke Septimen | | 75 400 700 | 0.00/ | 4.40/ | 4 4 407 | 75 400 404 | 0.00/ | 4.40/ | 0.040/ | 0.400/ | 04.750/ | 40.700/ | |
| 1.59% 1.59 | | | | | | | | | | | | | 11.59 |
| Simple Sign | | 73,100,730 | 3.370 | 4.170 | | 75,105,401 | 3.370 | 4.170 | | | | | 9.28 |
| | Structured Value | | | | | | | | | | | | |
| Tribunced Resident Ord Design Act Spelal | | 85,938,629 | 4.5% | 4.5% | | 84,928,890 | 4.4% | 4.5% | | | | | 16.46 |
| A Capital | Russell 1000 Value | | | | 1.12% | | | | -4.62% | -3.56% | 21.87% | 15.93% | 13.31 |
| 1.39% 1.39 | | | | | | | | | | | | | |
| Thinhanced SAP 500 Index Working Total Working Cap 19.4381.177 4.9% 3.9% 1.50% 71.461.720 3.7% 3.9% 3.9% 3.9% 1.50% 12.0 | | 79,466,679 | 4.2% | 4.2% | | 78,789,555 | 4.1% | 4.2% | | | | | 11.77 |
| Volume V | | | | | 1.36% | | | | -3.09% | -1.77% | 20.43% | 12.34% | 11.33 |
| Vestridge 94-351-277 4-9% 3-9% 1-54% 0.000.005-26 3-1% 0.00% 2-10% | | 72 502 200 | 2 90/ | 2 00/ | 1 55% | 71 461 720 | 2 70/ | 2 00/ | 2 00% | 2.429/ | 10.26% | 11 40% | 10.53 |
| Vella Cipital 61.17.277 3.2% 3.0% 1.81% 60.00.0.0.0.0.0.0.0.0.0.0.0.0.0.0.0.0.0 | | | | | | | | | | | | | 11.00 |
| 138 1.64% 1.25% 1.26% | | | 3.2% | 3.0% | 1.81% | 60,003,054 | 3.1% | 3.0% | | -3.02% | 30.71% | N/A | N |
| 1.50% 1.50% 1.50% 1.50% 1.50% 1.50% 1.60 | | | | | 1.74% | | | | | | | | N |
| 15,126,983 | | 282,307,249 | 12.0% | 13.8% | | 277,650,972 | 11./% | 13.8% | | | | | 11.2 4 |
| Specific 15,126,993 0.8% 1.4% 0.92% 1,003,811 0.8% 1.4% 0.8% 0.8% 1.4% 0.8% 0.8% 1.4% 0.8% 0.8% 0.8% 0.8% 0.9% 0.8% | | | | | 1.50% | | | | -3.10% | -1.00% | 20.0970 | 11.00% | 10.71 |
| \$28 500 mlcs \$48 500 mlcs \$40 5 | | 15.126.983 | 0.8% | 1.4% | 0.92% | 15.003.811 | 0.8% | 1.4% | N/A | N/A | N/A | N/A | N |
| State Street | | ,, | | | | ,, | | | | | | | |
| SAP 500 | &P 500 Index | | | | | | | | | | | | |
| STOTAL LARGE CAP DOMESTIC EQUITY S75,504,294 30.9% 30.9% 1.50% 568,709,996 28.7% 30.0% 3.70% -2.45% 22.69% 11.69% 3.89% 3.89% 3.90% 3.70% -2.45% 2.69% 20.59% 11.69% 3.10% -1.65% 2.69% 2.29% 3.00% -3.70% -2.45% 3.10% -1.65% 2.69% 3.10% -1.65% 3.10% -1.65% 3.10% -1.65% 3.10% -1.65% 3.10% -1.65% 3.10% -1.65% 3.10% -1.65% 3.10% -1.65% 3.10% -1.65% 3.10% -1.65% -2.45% - | | 37,477,956 | 2.0% | 2.1% | | 37,153,367 | 1.9% | 2.1% | | | | | 11.15 |
| MAIL CAP DOMESTIC EQUITY Manager of Managers 126,649,547 6.6% 7.2% 0.89% 1.26,649,547 6.6% 7.2% 7.14% 6.31% 17.13% 13.31% 13.2726,491 6.9% 7.2% 7.14% 6.31% 17.13% 13.31% 13.2726,491 6.9% 7.2% 7.14% 6.31% 15.7% 15.72% | | | | | | | | | | | | | 10.71 |
| MALL CAP DOMESTIC EQUITY ### ### ### ### ### ### ### ### ### # | | 575,504,294 | 30.2% | 30.0% | | 568,709,996 | 29.7% | 30.0% | | | | | 12.1 |
| Manager-of-Managers 126,649,647 6.6% 7.2% 0.89% 132,726,491 6.9% 7.2% 7.14% -6.31% 17.13% 13.31% 13.21% | 5&P 500 | | | | 1.50% | | | | -3.10% | -1.65% | 20.59% | 11.68% | 10.71 |
| Manager | MALL CAP DOMESTIC EQUITY | | | | | | | | | | | | |
| Page | | | | | | | | | | | | | |
| 23 23 23 23 24 25 26 26 26 26 26 26 26 | SEI . | 126,649,547 | 6.6% | 7.2% | | 132,726,491 | 6.9% | 7.2% | | | | | 14.32 |
| 18,757,531 9.5% 10.0% 1.0% | | | | | | | | | | | | | 16.16 |
| TOTAL SMALL CAP DOMESTIC EQUITY Pursued 2000 181,975,531 9.5% 10.0% 1.0% 2.27% 187,203,296 9.8% 10.0% 6.86% -6.86% -4.73% 16.44% 13.45% 17.88% 13.50% 16.44% 13.45% 17.88% 13.50% 18.7203,296 19.721,452 1.0% 1.0% 1.0% 1.1,50% -1.50% -1.47% -3.01% 2.70% 2.77% -1.47% -3.01% 2.70% 2.77% -1.47% -3.01% 2.70% 2.77% -1.47% -3.01% 2.70% 2.77% -1.47% -3.01% 2.77% -1.47% -3.01% 2.77% -1.47% -3.01% 2.77% -1.47% -3.01% 2.77% -1.47% -3.01% 2.77% -1.47% -3.01% 2.77% -1.47% -3.01% 2.77% -1.47% -3.01% 2.77% -1.47% -3.01% 2.77% -1.47% -3.01% 2.77% -1.47% -3.01% 2.77% -1.47% -3.01% 2.77% -1.47% -3.01% -1.47% -3.01% -1.47% -3.01% -1.47% -3.01% -1.47% -3.01% -1.47% -3.01% -1.47% -3.01% -1.47% -3.01% -1.47% -3.01% -1.47% -3.01% -1.47% -3.01% -1.47% -3.01% -1.47% -3.01% -1.47% -3.01% -1.47% -3.01% -1.47% -3.01% -1.47% -3.01% -1.47% -3.01% -1.47% -3.01% -4.47% -3.01% -4.47% -4.47% -3.01% -4.47% -4.47% -3.01% -4.47% | ranar. | 55,325,984 | 2.9% | 2.8% | | 54,476,805 | 2.8% | 2.8% | | | 21.0070 | N/A | N |
| Triangle | | | | | | | | | | | | | |
| NTERNATIONAL EQUITY Large Cap - Core State Street 18,701,996 1.0% 1.0% 2.31% 19,121,452 1.0% 1.0% 1.0% 1.25% -1.47% -3.01% 27.00% 20,77% Large Cap - Active Capital Guardian 56,570,301 3.0% 56,570,301 3.0% 3.0% 3.0% 3.0% 3.0% 3.0% 3.0% 3.0% | | 181,975,531 | 9.5% | 10.0% | | 187,203,296 | 9.8% | 10.0% | | | | | 14.44 13.88 |
| Size Street 18,701,996 1.0% 1.0% 2.31% 19,121,452 1.0% 1.0% 1.09% -1.25% -3.52% 27.82% 20.73% Size Street 18,701,996 1.0% 1.0% -1.6% -1.67% -1.47% -3.01% 27.00% 20.77% Size Street 18,701,996 1.0% 1.0% -1.5% -1.47% -3.01% 27.00% 20.77% Size Street 18,701,996 1.0% 1.0% -1.25% -3.0% 3.0% -1.97% -4.47% 20.94% NA Size Street 18,635,751 1.0% 1.0% -3.69% 19,331,546 1.0% 1.0% -1.2% -4.47% 29.94% NA Size Street 18,635,751 1.0% 1.0% -3.69% 19,331,546 1.0% 1.0% -1.49% -5.12% 25.29% 19,70% -2.84% Size Street 18,632,751 1.0% 1.0% -3.69% 19,331,546 1.0% 1.0% -1.49% -5.12% 23.99% 23.69% 23.69% 22.59% 23.69% 2 | KUSSEII 2000 | | | | 2.2170 | | | | -0.04% | -4.73% | 10.44% | 13.45% | 13.00 |
| State Street 18,701,996 1.0% 1.0% 2.31% 1.0% 1.0% 1.0% 1.25% 3.52% 27.82% 20.73% 2.07% 2.0 | NTERNATIONAL EQUITY | | | | | | | | | | | | |
| 1.55% 1.47% 3.07% 2.70% 2.07 | | | | | | | | | | | | | |
| Large Cap - Active September Septemb | | 18,701,996 | 1.0% | 1.0% | | 19,121,452 | 1.0% | 1.0% | | | | | 15.09 |
| Septial Clauridian | | | | | -1.56% | | | | -1.47% | -3.01% | 27.00% | 20.77% | 14.70 |
| Solid Soli | | 50 570 004 | 0.00/ | 0.00/ | 0.500/ | E0 077 000 | 0.00/ | 0.00/ | 4.070/ | 4.470/ | 00.040/ | 04 500/ | 44.00 |
| 18,655,751 1.0% 1.0% 3,69% 19,331,546 1.0% 1.0% 1.49% -5,12% 25,29% 19,70% 186,667,751 1.0% 1.0% -7,85% 135,138,264 7.1% 7.0% 1.48% -4,68% 22,55% 137,035,336,264 7.1% 7.0% 1.48% -4,68% 22,55% | | | | | | | | | -1.97% | | | | 14.83 N |
| 17.959.948 0.9% 1.0% 5.06% 18.923.320 1.0% 1.0% 0.24% -4.83% 24.18% 22.99% 18.692.480 1.0% 1.0% 5.17% 19.664.824 1.0% 1.0% 0.13% -5.05% 26.62% 20.43% 20.99 | | | | | | | | | | | | | 13.72 |
| Small Cap - Active 17,959,948 0.9% 1.0% 5.06% 18,923,320 1.0% 1.0% 0.24% -4.83% 24,18% 22,99% 20,49% | | 131,315,306 | | | | | | | | | | | 15.45 |
| 17,599,948 0,9% 1,0% 5,06% 18,923,320 1,0% 1,0% 0,24% -4,83% 22,18% 22,99% | ISCI EAFE - 50% Hedged | | | | -1.40% | | | | -2.31% | -3.68% | 26.94% | 22.55% | 15.71 |
| Mellington 18,832,480 1.0% 1. | | | | | | | | | | | | | |
| Total Small Cap - Active (Difficus) Broad Market Index < \$2BN 36,592,428 1.9% 2.0% 5.12% 38,588,145 2.0% 2.0% 0.18% 4.94% 25,39% 21,75 | | | | | | | | | | | | | 21.28 |
| Citigroup Broad Market Index < \$2EN | | | | | | | | | | | | | 21.40 21.34 |
| ### TOTAL INTERNATIONAL EQUITY 186,609,731 9.8% 10.0% -3.25% 192,847,861 10.1% 10.0% -1.41% -4.62% 27.21% 22.14% MSCI EAFE - 50% Hedged -1.40% -1.40% -2.31% -3.68% 26.94% 22.55% 26.94% 22.55% 26.94% 22.55% 22. | | 30,332,420 | 1.570 | 2.070 | | 30,300,143 | 2.070 | 2.070 | | | | | 25.39 |
| MSCI EAFE - 50% Hedged | | 186.609.731 | 9.8% | 10.0% | | 192.847.861 | 10.1% | 10.0% | -1.41% | | | | 16.66 |
| Description 19,824,401 1.0% 0.9% -0.55% 19,964,811 1.0% 0.9% 2.34% 1.78% 46.07% N/A | | ,, | | | | . ,. , | | | | | | | 15.71 |
| Description 19,824,401 1.0% 0.9% -0.55% 19,964,811 1.0% 0.9% 2.34% 1.78% 46.07% N/A | | | | | | | | | | | | | |
| IP Morgan | | | | | | | | | | | | | |
| PanAgora 19,465,774 1.0% 0.9% -2.48% 19,47,870 1.0% 0.9% 6.613% 3.51% 46.34% N/A Nost | | 19 824 401 | 1.0% | 0.9% | -0.55% | 19 964 811 | 1.0% | 0.9% | 2 34% | 1 78% | 46.07% | N/A | N |
| Nestlib 19,289,348 1.0% 0.9% -4.16% 20,077,106 1.0% 0.9% 6.60% 2.16% 42,11% N/A | | | | | | | | | | | | | N |
| Total Core 92,567,889 4.9% 4.1% -1.78% 94,194,125 4.9% 4.1% 4.42% 2.56% 43.90% 37.74% MSCI Emerging Markets 5.33% 3.12% 45.45% 38.67% MSCI Emerging Markets 5.33% 3.12% 45.45% 38.67% MSCI Emerging Markets 5.33% 3.12% 45.45% MIA NIA MSCI Emerging Markets 5.33% 3.12% 45.45% MIA MIA MSCI Emerging Markets 70.74L EMERGING MARKETS EQUITY 114,826,902 6.0% 5.0% -2.25% 116,519,563 6.1% 5.0% 4.49% 2.14% 48.23% 38.67% MSCI Emerging Markets 70.00% MIA MSCI Emerging Markets 70.00% MSCI Eme | VestLB | 19,289,348 | 1.0% | 0.9% | -4.16% | 20,077,106 | 1.0% | 0.9% | 6.60% | 2.16% | 42.11% | N/A | N |
| MSCI Emerging Markets Small Cap Smal | | | | | | | | | | | | | N 00 07 |
| Small Cap | | 92,567,889 | 4.9% | 4.1% | | 94,194,125 | 4.9% | 4.1% | | | | 37.74% | 29.07 21.67 |
| DFA | | | | | 2.0070 | | | | 0.0070 | J. 12 /0 | .5.40/0 | 33.07 /8 | 21.07 |
| ## ## ## ## ## ## ## ## ## ## ## ## ## | | 21,395.212 | 1.1% | 1.0% | -4.23% | 22,325.438 | 1.2% | 1.0% | 4.80% | 0.36% | 68.14% | N/A | N |
| Private Equity Capital International B63,801 0.0% 0.0% N/A Capital International B63,801 0.0% 0.0% N/A Collemerging Markets INVA N/A N/A N/A N/A N/A N/A N/A | | ,, | ,0 | | | ,,.30 | ,0 | | | | | | |
| MSCI Emerging Markets TOTAL EMERGING MARKETS EQUITY MSCI Emerging Markets TOTAL EMERGING MARKETS EQUITY MSCI Emerging Markets TOTAL EMERGING MARKETS EQUITY 114,826,902 6.0% 5.0% -2.25% 116,519,563 6.1% 5.0% 4.49% 5.33% 38.70% 45.45% 38.67% 2.69% 38.67% 2.69% 3.12% 45.45% 38.67% 2.69% 3.12% 45.45% 38.67% 2.69% 3.12% 45.45% 38.67% 2.69% 3.12% 4.59% 3.12% 4.59% 6.12% 3.39% 4.29% 6.12% 3.39% 4.29% 6.12% 3.39% 4.29% 6.12% 3.39% 4.29% 6.12% 3.39% 4.29% 6.12% 3.39% 4.29% 6.12% 3.39% 4.29% 6.12% 3.39% 4.29% 6.12% 3.39% 4.29% 6.12% 3.39% 4.29% 6.12% 3.39% 4.20% 6.12% 3.39% 4.20% 6.12% 3.39% 6.12% 3.39% 6.10% 1.42% 91,242,063 4.8% 6.0% 1.07% 2.52% 5.69% 3.92% 2.69% 3.92% 2.69% 3.92% 2.69% 3.92% 2.69% 3.92% 2.69% 3.92% 2.69% 3.92% 2.69% 3.92% | Private Equity | | | | | | | | | | | | |
| ## Action Part of the Convertibles Part of t | | 863,801 | 0.0% | 0.0% | N/A | - | 0.0% | 0.0% | N/A | N/A | N/A | N/A | N |
| MSCI Energing Markets -2.09% -2.09% -3.33% -3.12% -3.45% -3.86.78 -3.36% -3.36% - | | | | | | | | | | | | | |
| DOMESTIC FIXED INCOME Core Band Strand Aggregate Strand Aggreg | | 114,826,902 | 6.0% | 5.0% | | 116,519,563 | 6.1% | 5.0% | | | | | 29.61 |
| Dark Bond | ISCI Emerging Markets | | | | -2.09% | | | | 5.33% | 3.12% | 45.45% | 38.67% | 30.66 |
| Dare Bond | OOMESTIC FIXED INCOME | | | | | | | | | | | | |
| Lehman Aggregate 1.23% 0.83% 2.07% 6.12% 3.98% Index 92,864,803 4.9% 6.0% 1.42% 91,242,063 4.8% 6.0% 1.07% 2.52% 5.69% 3.78% Iotal Index 92,864,803 4.9% 6.0% 1.42% 91,242,063 4.8% 6.0% 1.07% 2.52% 5.69% 3.92% Lehman Gov/Credit 1.28% 1.28% 1.28% 1.00% 2.29% 6.00% 3.84% Convertibles 2.3160,626 2.8% 2.6% 1.81% 52,157,242 2.7% 2.6% -2.22% -0.45% N/A N/A Votal Convertibles 53,160,626 2.8% 2.8% 1.81% 52,157,242 2.7% 2.6% -2.22% -0.45% 12.55% 5.57% BBB Average Quality 4.8% 6.0% 1.27% 2.6% -2.22% -0.45% 15.38% 8.30% | Core Bond | | | | | | | | | | | | |
| Index 92,864,803 4.9% 6.0% 1.42% 91,242,063 4.8% 6.0% 1.07% 2.52% 5.69% 3.78% stall index 92,864,803 4.9% 6.0% 1.42% 91,242,063 4.8% 6.0% 1.07% 2.52% 5.69% 3.92% e/man Gov/Credit 1.28% 1.28% 1.28% 1.00% 2.29% 6.0% 3.84% convertibles calamos (2) 53,160,626 2.8% 2.6% 1.81% 52,157,242 2.7% 2.6% -2.22% -0.45% N/A N/A otal Convertibles 53,160,626 2.8% 2.6% 1.81% 52,157,242 2.7% 2.6% -2.22% -0.45% 12.55% 5.57% errill Lynch All Convertibles (3) 4.8% 6.0% 1.27% 2.6% -2.22% -0.45% 12.55% 5.57% BBB Average Quality 4.8% 6.0% 1.27% 2.6% -2.22% -0.45% 12.55% 5.57% | | 51,333,811 | 2.7% | 2.6% | | 50,884,255 | 2.7% | 2.6% | | | | | 5.59 |
| lank of ND 92,864,803 4.9% 6.0% 1.42% 91,242,063 4.8% 6.0% 1.07% 2.52% 5.69% 3.78% chman Gov/Credit | | | | | 1.23% | | | | 0.83% | 2.07% | 6.12% | 3.98% | 4.48 |
| fotal Index (ethinal Convertibles) 92,864,803 4.9% 6.0% 1.42% 91,242,063 4.8% 6.0% 1.07% 2.52% 5.69% 3.92% chman Gow/Credit 1.28% 1.28% 1.28% 1.00% 2.29% 6.00% 3.04% calamos (2) 53,160,626 2.8% 2.6% 1.81% 52,157,242 2.7% 2.6% -2.22% -0.45% N/A N/A otal Convertibles 53,160,626 2.8% 2.8% 1.81% 52,157,242 2.7% 2.6% -2.22% -0.45% 12.55% 5.57% dBB Average Quality -0.12% -0.12% 2.517,242 2.7% 2.6% -2.22% -0.45% 15.38% 8.30% | | 00.001.00 | 4.00: | 0.00 | 4 400: | 04.010.00 | | 0.00 | 4.000 | 0.500 | F 00 | 0.70 | |
| ehman Gov/Credit 1.28% 1.00% 2.29% 6.00% 3.84% Convertibles (alamos (2) 53,160,626 2.8% 2.6% 1.81% 52,157,242 2.7% 2.6% -2.22% -0.45% N/A N/A Votal Convertibles 53,160,626 2.8% 2.8% 1.81% 52,157,242 2.7% 2.6% -2.22% -0.45% 12.55% 5.57% BBB Average Quality 830% 2.8% | | | | | | | | | | | | | 4.49 |
| Convertibles Lalamos (2) 53,160,626 2.8% 2.6% 1.81% 52,157,242 2.7% 2.6% -2.22% -0.45% N/A N/A Lalamos (2) 53,160,626 2.8% 2.6% 1.81% 52,157,242 2.7% 2.6% -2.22% -0.45% 12.55% 5.57% Identif Lynch All Convertibles (3) -0.12% -0.12% -2.40% -2.51% 15.38% 8.30% Identify Lynch All Convertibles (3) -0.12% -0 | | 92,864,803 | 4.9% | 6.0% | | 91,242,063 | 4.8% | 6.0% | | | | | 4.5 0 |
| Lalamos (2) 53,160,626 2.8% 2.6% 1.81% 52,157,242 2.7% 2.6% -2.22% -0.45% N/A N/A Collad Convertibles 53,160,626 2.8% 2.6% 1.81% 52,157,242 2.7% 2.6% -2.22% -0.45% 12.55% 5.57% derill Lynch All Convertibles (3) -0.12% -0.12% -2.40% -2.51% 15.38% 8.30% BBB Average Quality | | | | | 2070 | | | | 0078 | 2.23/0 | 3.0070 | 5.0470 | 7.03 |
| otal Convertibles 53,160,626 2.8% 2.6% 1.81% 52,157,242 2.7% 2.6% -2.22% -0.45% 12.55% 5.57% ferrill Lynch All Convertibles (3) -0.12% -2.40% -2.51% 15.38% 8.30% IBB Average Quality | | 53,160.626 | 2.8% | 2.6% | 1,81% | 52,157.242 | 2.7% | 2.6% | -2.22% | -0.45% | N/A | N/A | |
| Merrill Lynch All Convertibles (3) -0.12% -2.40% -2.51% 15.38% 8.30% | | | | | | | | | | | | | 3.3 |
| BB Average Quality | | ,, | | | | , , | | | | | | | 10.89 |
| | | | | | | | | | | | | | |
| Vells Capital 51,207,913 2.7% 2.6% 1.01% 50,490,271 2.6% 2.6% -0.14% 0.87% 9.12% 5.96% | | 51,207,913 | 2.7% | 2.6% | 1.01% | 50,490,271 | 2.6% | 2.6% | -0.14% | 0.87% | 9.12% | 5.96% | 6.7 |

ND PUBLIC EMPLOYEES RETIREMENT SYSTEM INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2007

| INVESTMENT PERFORMANCE REPO | ORT AS OF AU | JGUST 3 | 31, 2007 | 7 | | | | | | | | |
|---|---|---------------------|--------------|-----------------------|-------------------------------|-------------------|-----------------------|-------------------------|-------------------------|------------------------|------------------------|-------------------------|
| | August-07 | | | | | | Current Fiscal YTD | Prior Year FY07 | 3 Years Ended | 5 Years Ended | | |
| | | Alloca | ation | Month | | July-07 Alloca | | Month | | | 6/30/2007 | 6/30/2007 |
| | Market Value | Actual | Policy | Net ROR | Market Value | Actual | Policy | Net ROR | Net ROR | Net ROR | Net ROR | Net ROR |
| Private Debt Prudential | 52,064,995 | 2.7% | 2.6% | 1.13% | 51,299,087 | 2.7% | 2.6% | 0.62% | 1.76% | 7.16% | N/A | N/A |
| Lehman Aggregate | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | | | 1.23% | ,, | | | 0.83% | 2.07% | 6.12% | | |
| Timberland | | | | | | | | | | | | |
| TIR - Teredo (4) TIR - Springbank | 40,282,961 85,271,445 | 2.1% 4.5% | 2.1% 4.5% | -0.06% -0.02% | 40,149,613 85,003,981 | 2.1% 4.4% | 2.1% 4.4% | -0.06% -0.02% | -0.12% -0.05% | 26.95% 26.90% | 12.73% N/A | 12.23% N/A |
| Total Timberland | 125,554,406 | 6.6% | 6.6% | -0.02% | 125,153,594 | 6.5% | 6.5% | -0.02% | -0.03% | 27.33% | 26.21% | 20.09% |
| NCREIF Timberland Index | | | | 0.76% | | | | 0.76% | 1.53% | 11.89% | 15.17% | 11.37% |
| Infrastructure | | | | | | | | | | | | |
| JP Morgan | 21,103,570 | 1.1% | 1.1% | -0.07% | 21,032,780 | 1.1% | 1.1% | -1.03% | -1.11% | N/A | N/A | N/A |
| TOTAL DOMESTIC FIXED INCOME Lehman Aggregate | 447,290,125 | 23.5% | 24.0% | 0.80% 1.23% | 442,259,293 | 23.1% | 24.0% | 0.03% 0.83% | 0.82% 2.07% | 12.52% 6.12% | 11.43% 3.98% | 10.17% 4.48% |
| | | | | | | | | | | | | |
| HIGH YIELD BONDS Core | | | | | | | | | | | | |
| Loomis Sayles | 45,859,033 | 2.4% | 2.4% | 1.44% | 45,487,181 | 2.4% | 2.4% | -3.40% | -2.01% | 13.37% | 11.25% | N/A |
| Sutter/Wells Capital | 43,417,622 | 2.3% | 2.4% | 1.44% | 45,558,970 | 2.4% | 2.4% | -7.54% | -6.21% -4.08% | 9.82% | 8.02% | N/A 5.67% |
| Total Core LB High Yield 2% Issuer Contstrained Index | 89,276,655 | 4.7% | 4.7% | 1.44% 1.49% | 91,046,151 | 4.8% | 4.7% | -5.44% -3.48% | -4.08% -2.04% | 11.59% 11.22% | 9.63% 8.70% | 0.67% N/A |
| Mezzanine Debt | | | | | | | | | | | | |
| Goldman Sachs | 2,072,853 | 0.1% | 0.1% | -0.14% | 2,221,766 | 0.1% | 0.1% | -0.14% | -0.29% | 7.39% | N/A | N/A |
| TCW Total Mezzanine Debt | 3,323,854 5,396,706 | 0.2% 0.3% | 0.2% 0.3% | 0.00% -0.14% | 3,323,854 5,545,620 | 0.2% 0.3% | 0.2% 0.3% | N/A -0.14% | N/A -0.29% | N/A 7.39% | N/A N/A | N/A N/A |
| LB High Yield 2% Issuer Contstrained Index | 2,300,130 | 2.0,0 | 2.073 | 1.49% | 2,310,020 | 2.0,3 | 2.0,0 | -3.48% | -2.04% | 11.22% | | |
| TOTAL HIGH YIELD BONDS | 94,673,361 | 5.0% | 5.0% | 1.36% | 96,591,771 | 5.0% | 5.0% | -5.37% | -4.08% | 11.62% | 9.64% | 11.24% |
| LB High Yield 2% Issuer Contstrained Index | | | | 1.49% | | | | -3.48% | -2.04% | 11.22% | 8.77% | 11.75% |
| INTERNATIONAL FIXED INCOME | | | | | | | | | | | | |
| International Sovereign | | | | | | | | | | | | |
| UBS Global (Brinson) Citigroup Non-US Gov't Bond Index (5) | 43,027,246 | 2.3% | 2.5% | 1.16% 1.64% | 42,553,770 | 2.2% | 2.5% | 3.18% 3.31% | 4.39% 5.00% | 0.21% 2.22% | 2.69% 3.23% | 6.66% 6.89% |
| International Core | | | | | | | | | 0.0070 | | | |
| Brandywine | 43,824,188 | 2.3% | 2.5% | -0.48% | 44,119,438 | 2.3% | 2.5% | 1.59% | 1.09% | 6.63% | 7.38% | N/A |
| Lehman Global Aggregate (ex-US) | | | | 1.21% | | | | 2.79% | 4.03% | 3.78% | 5.22% | N/A |
| TOTAL INTERNATIONAL FIXED INCOME Citigroup Non-US Gov't Bond Index (5) | 86,851,434 | 4.6% | 5.0% | 0.33% 1.64% | 86,673,208 | 4.5% | 5.0% | 2.36% 3.31% | 2.70% 5.00% | 3.41% 2.22% | 5.03% 3.27% | 8.23% 6.92% |
| | | | | 1.0170 | | | | 0.0170 | 0.0070 | L.LL/U | 0.2770 | 0.0270 |
| REAL ESTATE INVESCO | 50,053,170 | | | -0.04% | 50,053,235 | | | -0.04% | -0.08% | 14.44% | 20.09% | 14.86% |
| J.P. Morgan Strategic & Special Funds | 52,304,334 | | | 0.77% | 51,860,631 | | | -0.04% | 0.68% | 19.72% | 20.09% | 15.71% |
| J.P. Morgan Alternative Property Fund | 12,210,061 | | | -0.33% | 12,210,061 | | | -0.33% | -0.66% | 6.70% | N/A | N/A |
| TOTAL REAL ESTATE NCREIF TOTAL INDEX | 114,567,565 | 6.0% | 5.0% | 0.30% 1.51% | 114,123,927 | 6.0% | 5.0% | -0.09% 1.51% | 0.20% 3.04% | 15.47% 17.24% | 19.41% 17.83% | 14.88% 14.30% |
| | | | | 1.0170 | | | | 1.0170 | 0.0170 | 17.12.770 | 77.0070 | 7 7.0070 |
| ALTERNATIVE INVESTMENTS Brinson IVCF II | 79,860 | | | 0.00% | 99,987 | | | 0.00% | 0.00% | 31.73% | 17.69% | 12.50% |
| Coral Partners II | 99,987 | | | 0.00% | 79,860 | | | 0.00% | 0.00% | -0.22% | 1.54% | 5.72% |
| Coral Partners V | 3,314,078 | | | 0.00% | 3,354,924 | | | 0.00% | 0.00% | -1.78% | -4.71% | -14.30% |
| Coral Partners V - Supplemental Coral Momentum Fund (Formerly Fund VI) | 473,895 9,376,935 | | | 0.00% | 475,305 11,278,242 | | | 0.00% | 0.00% 0.00% | 8.49% -16.26% | 3.75% -8.10% | 0.86% N/A |
| Brinson 1998 Partnership Fund | 772,286 | | | 0.00% | 772,014 | | | 0.00% | 0.00% | 31.02% | 22.24% | 11.25% |
| Brinson 1999 Partnership Fund Brinson 2000 Partnership Fund | 1,958,319 5,381,535 | | | 0.00% 0.00% | 1,957,631 5,379,645 | | | 0.00% | 0.00% 0.00% | 19.95% 13.52% | 14.43% 18.72% | 7.53% 9.86% |
| Brinson 2001 Partnership Fund | 4,483,424 | | | 0.00% | 4,481,848 | | | 0.00% | 0.00% | 15.81% | 13.02% | 7.67% |
| Brinson 2002 Partnership Fund | 2,521,010 | | | 0.00% | 2,520,124 | | | 0.00% | 0.00% | 11.10% | 12.11% | 11.95% |
| Brinson 2003 Partnership Fund Total Brinson Partnership Funds | 787,439 15,904,012 | | | 0.00% | 848,890 15,960,152 | | | 0.00% | 0.00% 0.00% | 34.38% 16.34% | 19.70% 16.34% | N/A 10.08% |
| Brinson 1999 Non-US Partnership Fund | 799,903 | | | 0.00% | 1,039,712 | | | 0.00% | 0.00% | 111.26% | 57.67% | 39.95% |
| Brinson 2000 Non-US Partnership Fund Brinson 2001 Non-US Partnership Fund | 1,880,778 1,553,628 | | | 0.00% | 2,032,991 1,553,082 | | | 0.00% | 0.00% 0.00% | 55.10% 7.81% | 34.26% 14.42% | 25.05% 11.71% |
| Brinson 2002 Non-US Partnership Fund | 3,004,549 | | | 0.00% | 3,131,170 | | | 0.00% | 0.00% | 88.98% | 43.24% | 29.72% |
| Brinson 2003 Non-US Partnership Fund Brinson 2004 Non-US Partnership Fund | 2,324,373 | | | 0.00% | 2,752,293 | | | 0.00% | 0.00% | 76.59% | 33.38% | N/A |
| Total Brinson Non-US Partnership Fund | 902,524 10,465,754 | | | 0.00% 0.00% | 1,037,421 11,546,668 | | | 0.00% | 0.00% 0.00% | 23.98% 62.33% | 15.75% 35.68% | N/A 25.84% |
| Brinson BVCF IV | 8,666,994 | | | 0.00% | 9,347,324 | | | 0.00% | 0.00% | -3.23% | 10.47% | 6.87% |
| Adams Street Direct Co-investment Fund Matlin Patterson Global Opportunities | 4,635,437 2,181,084 | | | 0.00% | 4,633,808 7,174,144 | | | 0.00% | 0.00% 0.00% | N/A 10.95% | N/A 25.72% | N/A N/A |
| Matlin Patterson Global Opportunities II | 15,620,158 | | | 0.00% | 15,517,737 | | | 0.00% | 0.00% | 37.09% | N/A | N/A |
| Matlin Patterson Global Opportunities III | 1,836,879 | | | 0.00% | 393,491 | | | 0.00% | 0.00% | N/A | N/A | N/A |
| InvestAmerica Hearthstone MSII | 2,693,338 0 | | | 0.00% | 2,692,392 0 | | | 0.00% | 0.00% 0.00% | 13.96% -95.85% | -2.58% -100.00% | -5.68% -100.00% |
| Hearthstone MSIII | 1,447,904 | | | 0.00% | 1,447,395 | | | 0.00% | 0.00% | 208.65% | 79.05% | N/A |
| Corsair III Quantum Resources | 1,784,932 1,777,176 | | | 0.00% | 1,959,815 1,942,834 | | | 0.00% | 0.00% 0.00% | N/A N/A | N/A N/A | N/A N/A |
| Quantum Energy Partners | 408,031 | | | 0.00% | 446,868 | | | 0.00% | 0.00% | N/A | N/A | N/A |
| TOTAL ALTERNATIVE INVESTMENTS (6) | 80,766,453 | 4.2% | 5.0% | 0.00% | 88,350,948 | 4.6% | 5.0% | 0.00% | 0.00% | 16.83% | 15.02% | 7.25% |
| CASH EQUIVALENTS | | | | | | | | | | | | |
| Northern Trust STIF/STEP | 23,770,229 | 1.2% | 1.0% | -0.25% | 20,324,815 | 1.1% | 1.0% | 0.33% | 0.08% | 5.25% | 3.91% | 3.00% |
| 90 Day T-Bill | | | | 0.56% | | | | 0.39% | 0.95% | 5.21% | 3.78% | 2.76% |
| TOTAL FUND | 1,906,835,625 | 100.0% | 100.0% | 0.31% | 1,913,604,679 | 100.0% | 100.0% | | -1.56% | 18.95% | 14.97% | 13.33% |
| POLICY TARGET BENCHMARK NOTE: Monthly returns and market values a | | | | 0.96% | | | | -1.31% | -0.36% | 16.45% | 12.29% | 11.20% |

NOTE: Monthly returns and market values are preliminary and subject to change.

- NOTE: Monthly returns and market values are preliminary and subject to change.

 (1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

 (2) TCW was terminated on September 22, 2006. The portfolio was transferred to Calamos on October 5, 2006.

 (3) Prior to January 1, 2005, the benchmark was the First Boston Convertible Index.

 (4) Prior to June 1, 2006, the Toredo properties were under the management of RMK.

 (5) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

 (6) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.